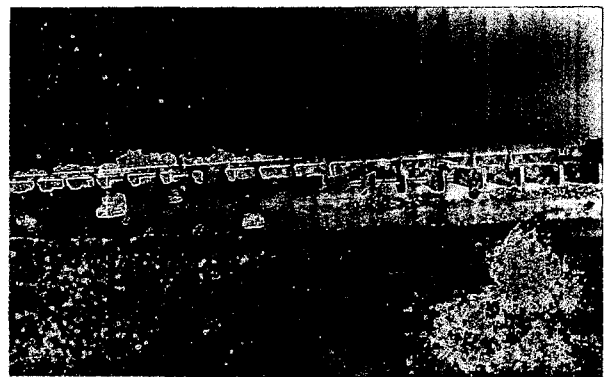
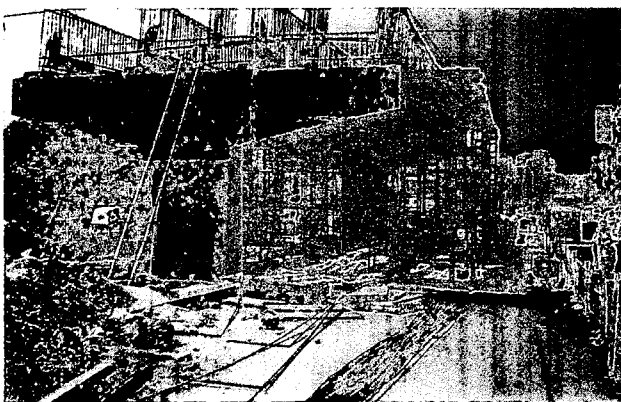
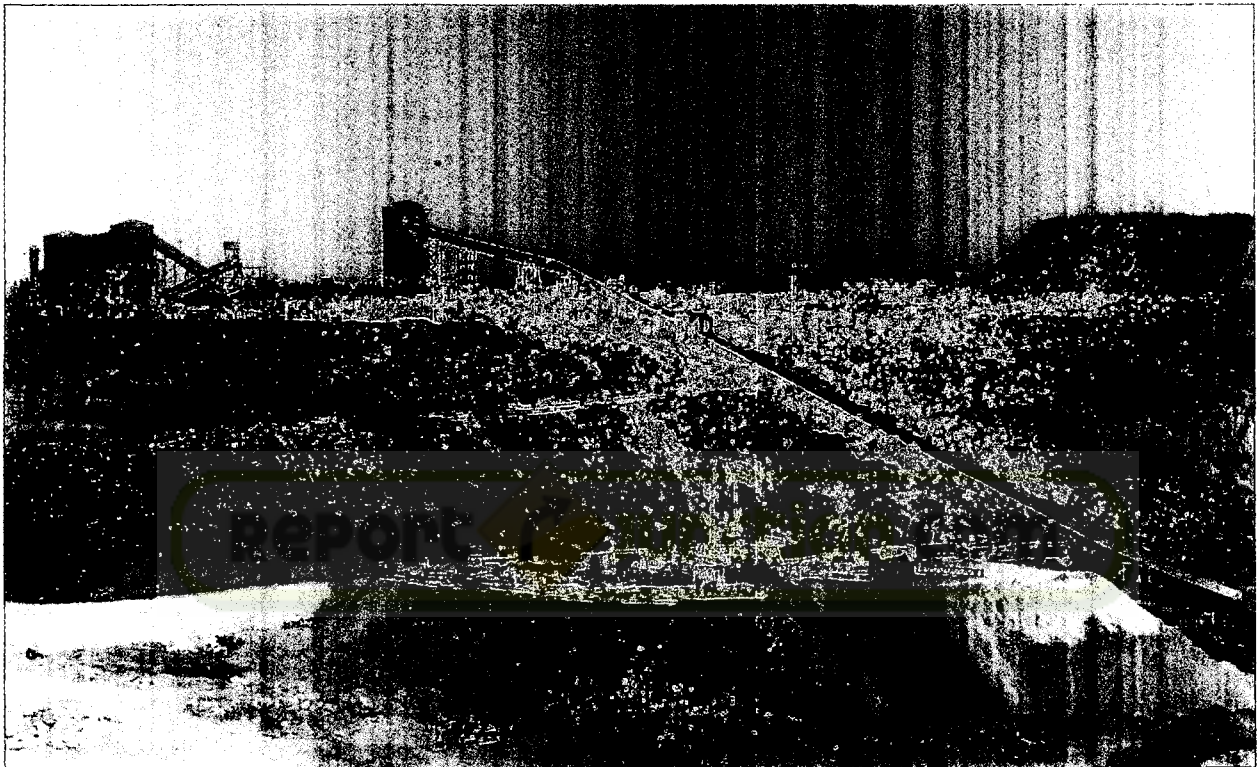




MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

# MADHUCON

## PROJECTS LIMITED.



7<sup>th</sup> ANNUAL REPORT  
1 9 9 6 - 9 7



**MADHUCON PROJECTS LIMITED****SEVENTH ANNUAL GENERAL MEETING**

ON THURSDAY THE 27TH NOVEMBER, 1997 At 11.00 A.M.

AT MADHU COMPLEX, JUBILIPURA, KHAMMAM - 507 003.

**YOUR COMPANY**

1. Has taken up execution of Six flyovers in the twin Cities of Hyderabad and Secunderabad on turnkey basis, awarded by HUDA.
2. has taken up execution of Hymavathi Hydel dam in Karnataka, Thembu Lift Irrigation under MKVDC in Maharashtra and Earth dam on Sind river in Madhya Pradesh.
3. has entered into collaboration with Binapuri Holdings, BHD, Kuala Lumpur, Malaysia for Road Projects and construction of flyovers.

*At a measure of economy, copies of the Annual Report will not be distributed at the meeting Shareholders are requested to kindly bring their copies.*

**CONTENTS**

- BOARD OF DIRECTORS
- NOTICE
- DIRECTORS' REPORT
- AUDITORS' REPORT
- BALANCE SHEET
- PROFIT AND LOSS ACCOUNT
- SCHEDULES
- NOTES ON ACCOUNTS

**BOARD OF DIRECTORS**

**N.NAGESWARA RAO,**  
Chairman & Managing Director

**N. SEETHAIAH**  
Wholtime Director

**N. KRISHNAIAH**  
Wholtime Director

**P.R. SINHA**  
Director

**T.VENUGOPALA RAO**  
Director

**REGISTERED OFFICE**

1-7-70, MADHU COMPLEX, JUBLIPURA,  
KHAMMAM - 507 003

**ADMINISTRATIVE OFFICE**

D-27, EAST OF KAILASH  
NEW DELHI-110 065

**CORPORATE OFFICE**

MADHUCON HOUSE  
6-3-347/12/A/10/1/7  
SAI TEMPLE STREET  
DWARAKAPURI COLONY  
PUNJAGUTTA  
HYDERABAD - 500 082

**BANKERS**

CANARA BANK  
STATE BANK OF HYDERABAD

**AUDITORS**

**K.SIVA RAMA KRISHNA PRASAD & CO.**  
CHARTERED ACCOUNTANTS  
KUSHAL TOWERS  
KHAIRATABAD  
HYDERABAD

---

---

**MADHUCON PROJECTS LIMITED****NOTICE**

To  
**The Members**  
 Madhucon Projects Limited.

NOTICE is hereby given that the 7th Annual General Meeting of the Company will be held at the Registered Office of the Company at 1-7-70, Madhu Complex, Jublipura, Khammam - 507 003 on Thursday the 27th November, 1997 at 11.00 A.M to transact the following business:

**I. ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date together with the report of Auditors and Directors thereon.
2. To appoint a Director in Place of Sri. N. Krishnaiah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in Place of Sri. T. Venugopala Rao who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

"Resolved that Mr. K.Siva Rama krishna Prasad & Co., Chartered Accountants, be and are hereby reappointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company".

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to section 372 of the Companies Act 1956, and subject to the approval of Central Government an Investment of Rs. 4.00 Lacs be made in the 40,000 no of equity shares of the proposed joint venture company - MBN Anchored Earth Limited.

"RESOLVED FURTHER THAT Sri N. Nageswara Rao, Managing Director be and is hereby authorised to sign the necessary application from and other papers and documents and to take all such steps and actions as may be required in this regard.

By Order Of The Board

Regd. Office:  
 1-7-70, Madhu Complex  
 Jublipura, KHAMMAM - 507 003

**N. NAGESWARA RAO**  
 MANAGING DIRECTOR

Date : 31st October, 1997

**MADHUCON PROJECTS LIMITED****NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting. A proxy form is enclosed.
2. The Register of members shall remain closed from 24th Nov.' 97 to 27th Nov'97 (Both days inclusive)
3. Members are requested to notify immediately any change in their address to the company.
4. In order to serve the shareholders effectively and for administrative convenience, members are requested to notify multiple folios standing in their names for consolidation.
5. Explanatory Statement As Required Under Section 173 (2) of the Companies Act, 1956 for Item NO. 5.

The Company has entered into a Joint Venture agreement with M/s Binapuri Holdings and Anchored Earth SDN BHD, Malaysia to setup a joint venture company for under taking and executing projects by using anchored earth technology. According to the joint venture agreement the company is required to invest up to Rs.4.00 lacs in the proposed joint venture Company. As the said investment exceeds the limits laid down under section 372 of the Companies Act, 1956. Consent of the shareholders and approval of the Central Government is required.

Your directors recommend the resolution for approval. None of the directors is concerned or interested in the resolution.

By order of the board

Regd. Office :

1-7-70, Madhu Complex

Jublipura , KHAMMAM - 507 003

Date : 31st October, 1997

**N. NAGESWARA RAO**  
MANAGING DIRECTOR

**DIRECTORS' REPORT**

To

The Members

Your directors are pleased to present their Seventh Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 1997.

**PERFORMANCE OF THE COMPANY**

(Rupees in Lakhs)

	1996-97	1995-96
Gross Income	2396.67	2760.41
Profit before Depreciation & Taxation	239.74	292.51
Depreciation	120.92	111.51
Profit before taxation	118.82	181.00
Provision for taxation	21.44	34.00
Profit after taxation	97.38	147.00
Less : Prior Period Taxes	-	0.39
<b>Profit available for Appropriation</b>	<b>97.38</b>	<b>146.61</b>

**APPROPRIATION**

Proposed Dividend	--	31.83
Balance transferred to Balance Sheet	97.38	114.78
	<b>97.38</b>	<b>146.61</b>
Paid-up Equity Share Capital	446.85	442.02
Reserves excluding revaluation reserve	739.69	633.37

---

**MADHUCON PROJECTS LIMITED**
**REVIEW OF OPERATIONS**

During the year under review, your Company has achieved a turnover of Rs. 2396.67 lacs and earned a net profit of Rs.97.38 lacs.

Your company has already bidden for several prestigious infrastructural projects for construction of National Highways, in Collaboration with M/s Binapuri Holdings, BHD, Kuala Lumpur, Malaysia, a very well known group engaged in construction activities and your company is expecting to get a substantial amount of Order during the current financial Year 1997 - 98.

**FUTURE OUTLOOK**

Based on the Orders on hand, delivery schedules committed and tender being participated, the prospects of the company are expected to be good during the financial year 1997 - 98. Your Company has bagged the Hymavathi Hydel Project valued at Rs. 13.00 Crores and Thembu Lift Irrigation for Rs. 20.00 Crores. They are to be constructed at Karnataka and Maharashtra in addition to these, your Company has started Earth Dam valuing Rs. 30.00 Crores on Sind river in Madhya Pradesh. Your Company is also executing the Flyovers in Twin Cities.

**DIRECTORS**

Sri. N. Krishnaiah and Sri. T.Venugopal Rao, Directors retire by rotation at the Annual General Meeting and being eligible offer themselves for reappointment.

**EMPLOYEE RELATIONS :**

The relations with the employees continued to be cordial. The directors would like to place on record their appreciation of the services rendered by all the employees of the Company.

As no employee was drawing Rs. 25,000/- pm. or Rs.3,00,000 p.a. during the year no statement is required to be provided under sec. 217 (2A) of the Companies Act. 1956.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company is not required to give any details as required U/S 1 (e) of Sec.217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors. Rules, 1988 regarding Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo, as it is not a manufacturing Company.

**AUDITORS**

K. SIVA RAMA KRISHNA PRASAD & Co. retiring Auditors of the company have offered themselves for reappointment as Auditors for the year 1997 - 98 to hold office up to the conclusion of the next Annual General Meeting.

**ACKNOWLEDGEMENTS:**

The board expresses its appreciation to the Company's bankers, Share Holders, Central and State Govt. authorities, Customers, Consultants and Suppliers for their constant help, cooperation and support.

for and on Behalf of the Board

Regd. Office :  
1-7-70, Madhu Complex, Jublipura  
KHAMMAM - 507 003  
Date : 31st October, 1997

**N. NAGESWARA RAO**  
MANAGING DIRECTOR



**MADHUCON PROJECTS LIMITED****AUDITOR'S REPORT**

To

The Members

**MADHUCON PROJECTS LIMITED**

We have audited the attached Balance Sheet of MADHUCON PROJECTS LIMITED as on 31st March, 1997 and also the Profit and Loss Account of the Company for the Year ended on that date annexed thereto and report that :

**WE REPORT AS FOLLOWS :**

1. As required by the Manufacturing and other Companies (AUDITOR'S REPORT) Order, 1998 issued by the Company Law Board in terms of Section. 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our Comments in the Annexure referred to in paragraph -1 above we state that :
  - a) We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books.
  - c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account.
  - d) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - i) In so far as it relates to the Balance Sheet, of the State of affairs of the company as at 31st March, 1997 and
    - ii) In so far as it relates to the Profit and Loss Account of the profit of the company for the year ended on that date.

HYDERABAD

Date : 31st October, 1997

for **K. SIVA RAMA KRISHNA PRASAD & CO.**

CHARTERED ACCOUNTANTS

**(K S R K PRASAD)****PARTNER**

**STATEMENT REFERRED TO IN PARAGRAPH  
(1) OF OUR REPORT OF EVEN DATE**

1. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. As explained to us the Fixed Assets have been physically verified by the Management during the year and to the best of our knowledge, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its Assets.
2. None of the Fixed Assets have been revalued during the year.
3. As explained to us, the Stock of Spare parts, Fuel and Stores Materials have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such verification.
4. According to the information and explanations given to us, in our opinion, the procedures of physical verification of stores Materials and Machinery parts followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material.
6. On the basis of our examination of stock records there are no stocks of stores materials or spare parts at the end of the period and hence the question of valuation of stocks does not arise.